

block granting Medicaid under this formula is a terrible idea.

I strongly support efforts to improve efficiency, provide greater program flexibility and cost containment in Medicare and Medicaid proposals. However, a reasoned path toward these reforms is necessary and the Republican proposal to cut Medicare and Medicaid in order to cut taxes for affluent Americans is seriously flawed. So-called reform of this magnitude merits caution, careful debate, and deliberation. Let's not misdiagnose the financing and delivery of health care services to our Nation's elderly, disabled, and poor. The current proposal to block grant Medicaid and cap Medicare reimbursement will devastate millions of vulnerable Americans who look to the Federal Government to honor its long time commitment to public safety, security, and well-being.

WE ARE GOING TO FIX MEDICARE TOMORROW

The SPEAKER pro tempore (Mr. BUNN of Georgia). Under a previous order of the House, the gentleman from Michigan [Mr. CHRYSLER] is recognized for 5 minutes.

Mr. CHRYSLER. Mr. Speaker, the trustees' report clearly does say, and you can read it in it, that there is \$140 billion that is needed for part A and \$140 billion that is needed for part B. That is \$280 billion. Those are the trustee numbers.

Now to come up with an irresponsible number of \$90 billion, which has been done for the last nine times in order to save Medicare, is in fact just enough to save Medicare for the next election, which has been what has been going on for the last nine times and usually raising taxes to save it for those last nine times, and so Members ask why are we doing this so fast? Well, the trustees' report also says that we are going to start spending \$1 billion more than what we take in next year. That means starting October 1 of, in fact, this year.

And they also say we have only had one hearing on this. Now I know of 38 hearings that we have had in the House, 18 of them in the Committee on Ways and Means. I have testified personally at three of those hearings, and in fact I remember there were at least two of those hearings out on the lawn by the people from the other side of the aisle.

One billion dollars more than what we take in next year and totally bankrupt by the year 2002. That is why we need to save, and protect, and preserve Medicare, and it is absolutely irresponsible not to put forward a plan to do that, and only in Washington, DC, will they call a \$1,900 increase a 40-percent increase, going from \$4,800 to \$6,700, clearly that is an increase, only in Washington, DC will they call that a cut.

Now my dad used to say to me that liars have short legs, which simply means you cannot outrun the truth, and the truth will prevail.

Now you can keep your Medicare System under the better Medicare System just exactly as it is with no increase in co-pays, no increase in deductibles, and no increase in premiums. But let me tell you what the Medicare System is. It is a 1964 Blue Cross plan that has been codified into law, and senior citizens deserve better. Certainly they deserve better than the 30-year-old health program. They deserve choice, choices like managed-care-type systems, choices such as point-of-service, choices such as medical savings accounts, which is a free-market solution to the health care program in this country and puts the consumer back in the loop, which is what has been missing all of these years from health care. It has been too long that insurance companies and doctors and hospitals have been telling us what is reasonable and customary for health care, and it is time that we had the consumer back in this health care process, this health care equation.

Someone said that the seniors had choice when they have the Medicare System. Well, certainly they can still have their Medicare System, but more and more doctors are opting out of that Medicare System as it has been created in the past. What kind of a choice is that?

We also do need to do something with the waste, fraud, and abuse. Forty-four billion dollars of waste, fraud, and abuse, and this better Medicare System in fact addresses that issue.

We also appoint a commission to study the long-term solutions for the Medicare System when the baby-boomers come into this system beyond the next 7 years.

And now there has also been a lot said about tax cuts. First thing we have to understand, that we are talking about the people's money, not the Government's money, and what we are saying is that, if you have two children, that is a thousand dollars that we want you to keep, hold onto it, keep it in your pocket, do not send it to Washington. This is not money we have in Washington that we are going to send back to someone because, if you keep it, you will always make a better decision how to spend it, a much better decision than government, and also 77 percent of the tax cuts that we are talking about are for people that earn less than \$75,000 a year, and it would not matter whether we had a balanced budget or not, we would still have to fix Medicare, and that is what we are going to do tomorrow when we vote to pass the better Medicare System.

MEDICARE REFORM LEGISLATION BENEFITING INSURANCE COMPANIES, NOT OUR SENIORS

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from California [Ms. PELOSI] is recognized for 5 minutes.

Ms. PELOSI. Mr. Speaker, tonight I rise to amplify the voices of my con-

stituents in two ways. First of all, I am delivering 10,783 petitions gathered by community leaders in my district in opposition to the Republican Medicare legislation. These petitions say yes to Medicare and no to the \$270 billion Republican cut in the Medicare Program in order to pay for tax cuts for corporations and the wealthiest of Americans.

In addition to that, Mr. Speaker, I have a letter from one of my constituents who is a physician who very eloquently and clearly presents the case for many physicians who oppose the actions of the AMA.

I have had serious objections to the substance of the Republican proposal and the process. By blanking out statements from my constituents and giving access to the AMA I think a disservice was paid to the Americans who depend on Medicare. I was particularly appalled by the waltzing in of the AMA and the golden handshake they received as opposed to the handcuffs the senior citizens received when they tried to make their concerns known.

My constituents, Dr. Levine, says as follows, and in the interests of time, Mr. Speaker, I will place this entire letter in the RECORD.

The letter referred to is as follows:

SEPTEMBER 27, 1995.

FAX memo to: Congressperson NANCY PELOSI.

Re Medicare "reform" legislation.

DEAR CONGRESSPERSON PELOSI. I am extremely concerned as the current Republican-initiated Medicare reform package goes through Congress, and I wanted to send you this letter in order to give you my perspective on the proposed legislation as a practicing physician in your district.

I have received literature recently from the AMA urging my support of the package, because they believe it to be "doctor friendly." Certainly, certain portions of the proposed legislation, such as long-overdue anti-trust reforms, etc., appear to be doctor-friendly. But I believe that these colleagues of mine in organized medicine are fundamentally in error. Their error derives from the relative lack of many officials in organized Medicine with actual experience with for-profit managed care. If these colleagues of mine were sufficiently so experienced, they would see the Republican proposals for what they really are—a scheme for forcing virtually all Medicare recipients into managed care.

I am not saying that managed care in principle is bad: I would be the first to agree that many of its goals in principle are wonderful. But let me share with you the reality of managed care in actual practice. First, insurance companies in California have been making a transition to for-profit managed care plans. This is because the profits they derive from these products are enormous. Basically, what managed care boils down to in practice is that the insurance company evades the basic job of an insurance company, which is assuming risk. Rather, in managed care, the insurance company simply skims off a healthy percentage of the premium dollar up front, and shifts all the financial risk of providing health care to the physicians and hospitals with which they contract. The insurance company has no downside financial risk, and in California organizations such as "Wellpoint," into which